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ABSTRACT

Six tables and graphs are presented as a summary of financial aid available to students attending Washington public and private nonprofit institutions. The summary includes those federal, state, and other programs designed to aid students who are unable to finance their education. Of the 12 programs included in the report, eight are federally-supported and three are state-supported. The remaining program, designated "Other Institutionally-Based Aid," is not a single program but a collection of small programs that exist at the institutional level and that are supported by local funds available to the institutions. These take the form of grants or low-interest loans funded from private endowments or student tuition and fees. (LBH)

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Report No. 77-13

AN HISTORICAL SUMMARY OF FINANCIAL AID PROVIDED STUDENTS IN WASHINGTON 1972-73 THROUGH 1976-77

JANUARY, 1977

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AN HISTORICAL SUMMARY OF FINANCIAL AID PROVIDED STUDENTS IN WASHINGTON 1972-73 THROUGH 1976-77

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January, 1977

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AN HISTORICAL SUMMARY OF FINANCIAL
AID PROVIDED STUDENTS IN WASHINGTON
1972-73 THROUGH 1976-77

The attached six tables and graphs offer a capsulized summary of financial aid available to students attending Washington public and private non-profit institutions. The summary includes those federal, state, and other programs designed to aid students who are unable to finance their education. It does not include gifts or benefits, such as G.I. Bill, social security benefits, etc., nor does it include income from employment unless that employment is supported by a state or federal work/study award. In addition, it excludes financial aid available to students attending profit-making institutions.*

Of the twelve programs included in the report, eight are federally supported (two of the programs, Health Profession Grants and Health Profession Loans, are included together in Table I) and three are state supported. The remaining program, entitled "Other Institutionally Based Aid", is not a single program, but a collection of small programs which exist at the institutional level and which are supported by local funds available to the institutions. The latter takes the form of grants or low interest loans and is funded from private endowments or student tuition and fees.

Two of the three state programs are grant programs. One, the Tuition and Fee Waiver Program, is administered by the institutions. It is available to needy or disadvantaged students enrolled at public institutions with the exception of vocational-technical institutes. The other is the State Need

* The Council is obtaining comparable information on aid to students attending profit making institutions. Such information will be included in future reports.

Grant program, administered by the Council for Postsecondary Education. It supports financially needy undergraduate students enrolled full time at public or private non-profit institutions.

The third state program is a Work/Study program which funds up to 80% of the student's compensation. It is administered jointly by the public institutions and the Council for Postsecondary Education. Priority is given to placing the student in work related to the student's field of study. The student can attend a public or private non-profit institution and must be enrolled at least half-time.

Of the eight federal programs, five are administered by the institutions. They include the Supplemental Educational Opportunity Grant and Health Profession Grant Programs, the College Work/Study Program and the National Direct Student Loan and Health Professions Loan Programs.* The two health professions programs are the only programs targeted to students enrolled in specific fields of study. One program, the Supplemental Educational Opportunity Grant Program, is available only to undergraduate students. The institutions, in running these programs, are permitted to exercise discretion in calculating a student's need level and determining the size and type of the award.

One program, the Basic Educational Opportunity Grant program, is administered directly by the federal Office of Education. It is available to all financially needy undergraduates enrolled at least half-time. The calculation of the student's need level and the determination of the award amount is performed by a private organization under contract by the Office

* For purposes of this report, the four programs targeted to students enrolled in the Health Professions, Nursing and Health Professions Grants and Loans, are lumped into the two categories noted above as "Health Professions".

of Education. The determination of level of need and grant amount is guided by criteria developed by the Office of Education and concurred by Congress. Institutions are not permitted to make adjustments to a student's eligibility or grant amount.

The Federally Insured Student Loan program is run by lending institutions, including banks, credit unions, state agencies, and postsecondary education institutions. Under this program, loans made by the lending institution are insured by the federal government against default. In addition, for low and middle income students, the interest on the loan is paid by the federal government while the student is in school.*

Under the State Student Incentive Grant program, the federal government provides monies to states to match, up to an equal level, grant funds appropriated by the states to aid needy students. State Student Incentive Grant funds coming to Washington are matched by the State Need Grant.

Student financial aid in Washington has grown from $33.5 million in 1972-73 to $72.5 million in 1976-77. The largest growth has been in the Basic Educational Opportunity Grant program which did not exist in 1972-73. Expenditures under that program are expected to be $17.1 million in 1976-77. The five campus based federal programs have also experienced significant growth, from $16.9 million in 1972-73 to $29.0 million in 1976-77.

The third area of growth has been in the State Need Grant and Work/Study programs, which have increased from $.9 million in 1972-73 to $4.1 million in 1976-77. Part of this growth has been the direct result of the injection of $.9 million in State Student Incentive Grants into the State Need Grant Program.

* States may elect to create their own guarantee agency. In this event, the federal government will reinsure the loan guaranteed by the state.

Tables III and IV show graphically the effect of the growth in aid programs. In absolute dollar terms, the growth has been predominately in federal programs. An examination of the distribution of aid by type of program shows a shift from high reliance on loans in 1972-73 to a roughly equal distribution of grants and loans and a larger role for Work/Study.

Tables V and VI show the effect of the increase in student financial aid. The number of students receiving aid has increased from about 26,000 in 1972-73 to 36,000 in 1976-77. This has resulted in a larger percentage of students receiving aid. In 1972-73, 15.1% of enrolled students received aid. This increased to 19.1% in 1976-77.

Much of the increased aid is absorbed by the increased costs of attending college. Student budgets have increased by 43% between 1972-73 and 1976-77. Concurrently, the average "award package" given to the student has increased by 50%. The slightly larger increase in the award package versus the growth in the student budget reflects an attempt by financial aid officers to reduce "under awards".

The tables are intended simply as a general overview of financial aid in Washington. They do not provide an indication of how aid is distributed by type of student or by type of institution attended. Subsequent reports will address such distribution questions.

TABLE I

A SUMMARY OF NEED BASED STUDENT FINANCIAL AID PROGRAMS

	Qualified Applicants Determined By:	Qualifications	Eligible Institutions	Amount of Award	Requirements for Matching Funds	Repayment Provisions	Interest Rate	Funding Level*** 1976 - 1977
STATE PROGRAMS								
State Need Grant	Council for Post-secondary Education*	Undergraduate, enrolled at least half-time, Wash. resident	All accredited non-profit institutions	$450 per year				$ 2.1 million
Tuition and Fee Waivers	Institutions	Wash. resident	Public Institutions	Up to total Tuition and Fee levels				1.5 million
State Work Study	Institutions	Enrolled at least half-time	All accredited non-profit institutions	No stipulation	Minimum 20% from employers			1.1 million
FEDERAL PROGRAMS								
Basic Educational Opportunity Grant	Office of Education **	Undergraduate enrolled at least half-time	All accredited Institutions	Up to ½ of student's need, max $1400 per year				17.1 million
Supplemental Educational Opportunity Grant	Institutions	Undergraduate enrolled at least half-time	All accredited institutions	Cannot exceed ½ of students need; $200 to $1500 per year				6.0 million
College Work Study	Institutions	Enrolled at least half-time	All accredited institutions	No stipulation	Minimum 20% from employers			9.3 million
Health Profession Grants and Loans	Institutions	Enrolled full time	All accredited institutions	Maximum $3000/yr(grants) $2500/yr(loans)	Minimum 10% from institutions	Up to 10 years after graduation	3%	.5 million
National Direct Student Loan	Institutions	Enrolled at least half-time	All accredited institutions	$2500 cumulative for 2/yr program; $5000 cumulative for 5/yr program; $10,000 cumulative for graduate program	Minimum 10% from institutions	Up to 10 years after graduation	3%	13.2 million
Federally Insured Student Loan	Lenders	Enrolled at least half-time	All accredited institutions	Maximum $2500/yr		Up to 10 years after graduation	7%	9.5 million
State Student Incentive Grant	Council for Postsecondary Education	Left to discretion of the state	Left to discretion of the state;but must include all accredited non-profit institutions	Left to discretion of the state				.9 million
OTHER INSTITUTIONALLY BASED AID ****	Institutions	---	---	---	---	---	--	11.3 million

* Students are ranked according to need levels. Higher need students are given priority in receipt of available dollars. Need analysis is done by the institutions in accordance with uniform criteria specified by the Council for Postsecondary Education. Some discretion is provided the institutions in computing the need level.

** Need Analysis is performed by the Office of Education. Institutions are not allowed to make adjustments to computed need levels.

*** Estimated gross compensation levels for Work/Study Program and total lending levels for loan programs.

**** Includes aid provided needy students from funds available to the institutions from private gifts or from student tuition and fees. About ninety percent of these funds are awarded to students in the form of grants.

TABLE II

HISTORICAL SUMMARY OF SFA FUNDS
AVAILABLE IN WASHINGTON BY PROGRAM
1972-73 THROUGH 1976-77

	1972-73	1973-74	1974-75	1975-76	Estimated 1976-77
FEDERAL PROGRAMS					
Grants					
Basic Education Opportunity Grants	--------	550	4,580	10,730	17,100
Supplemental Education Opportunity Grants	3,510	3,950	4,190	5,880	5,980
Health Profession Grants	830	430	340	260*	180
Work					
College Work/Study	4,490	5,130	5,680	8,360	9,330
Loans					
National Direct (Defense) Student Loans	7,490	9,170	9,600	12,420	13,230
Health Profession Student Loans *	560	780	640	500	350
Total	16,880	20,010	25,030	38,150	46,170
STATE PROGRAMS					
Grants					
State Need Grant **	890	1,500	3,180	3,890	3,010
Tuition and Fee Waiver	1,300	1,180	1,530	1,500	1,500
Work					
State Work/Study ***	-----	----	700	950	1,080
Total	2,190	2,680	5,410	6,340	5,590
OTHER INSTITUTIONALLY BASED AID ****	4,950	10,920	9,340	10,300	11,250
FEDERALLY INSURED STUDENT LOANS	9,500	9,500	9,500	9,500	9,500
TOTAL ALL AID	32,520	43,110	49,280	64,290	72,510

* Estimated for 1974-75 through 1976-77.

** Includes matching from SSIG of 450,000 in 1974-75; 430,000 in 1975-76; and 870,000 in 1976-77.

*** Includes estimated matching funds from employers of $215,000 in 1974-75; $295,000 in 1975-76; and $360,000 in 1976-77.

**** Includes only that additional aid available to the institution which is provided to financially needy students.

TABLE III

A SUMMARY OF STUDENT FINANCIAL AID AVAILABLE
IN WASHINGTON BY SOURCE OF FUNDS, 1972-73 THROUGH 1976-77

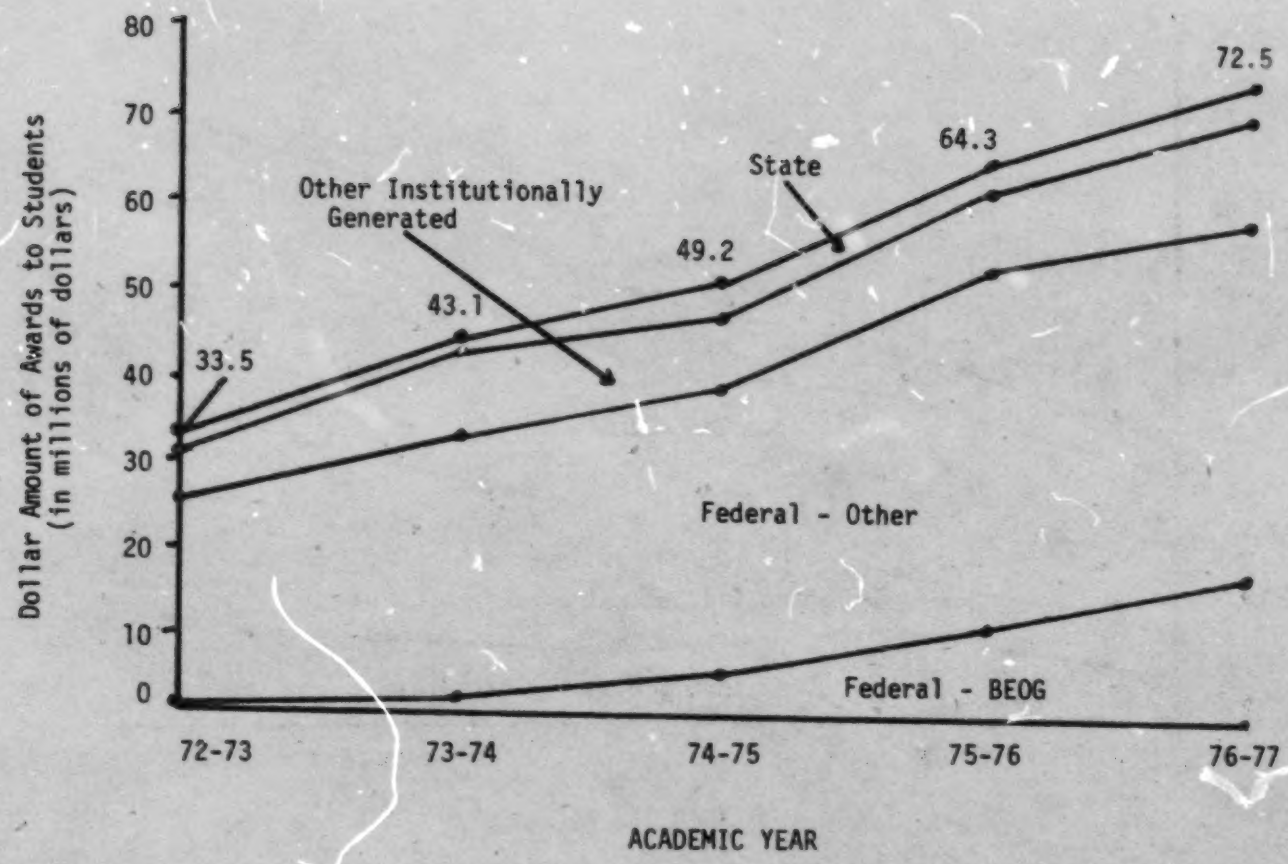


TABLE IV

A SUMMARY OF STUDENT FINANCIAL AID AVAILABLE
IN WASHINGTON BY TYPE OF PROGRAM 1972-73 THROUGH 1976-77

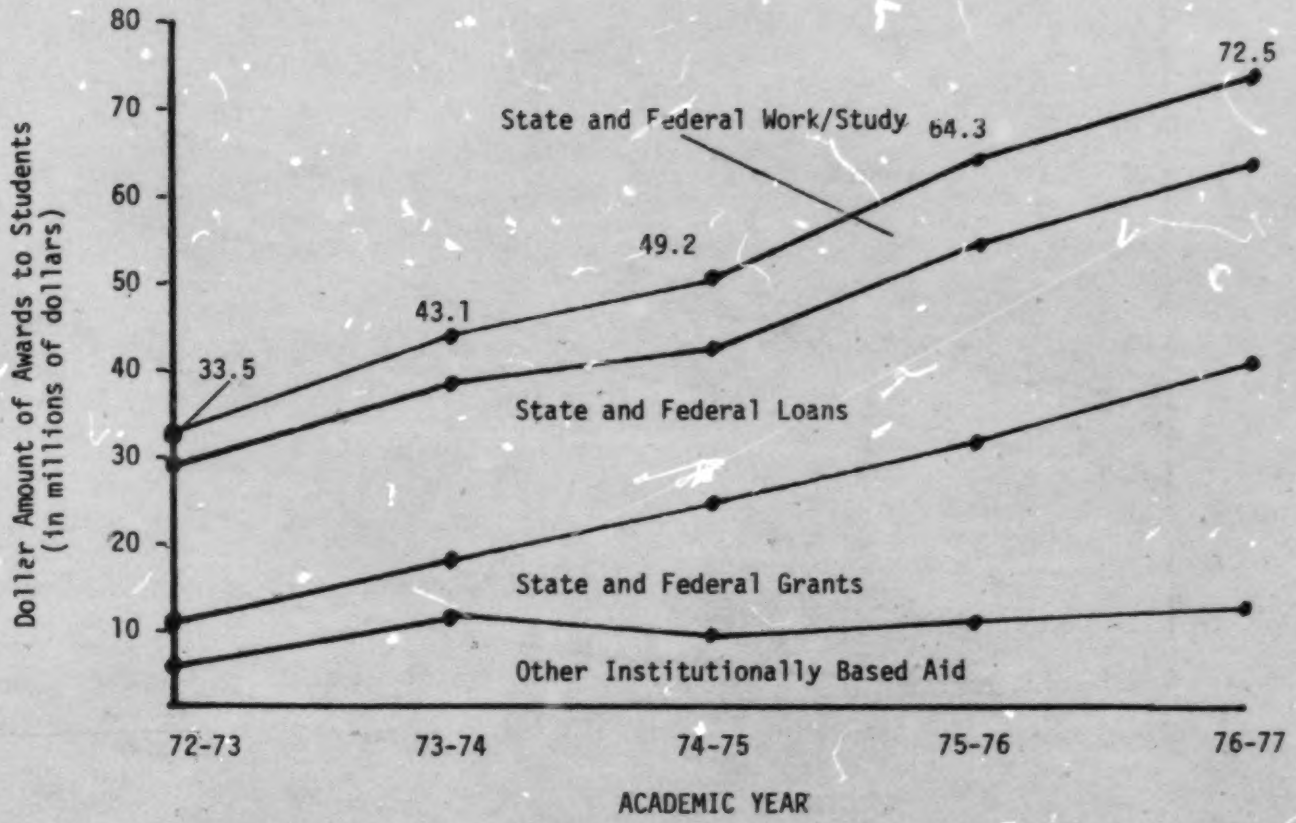
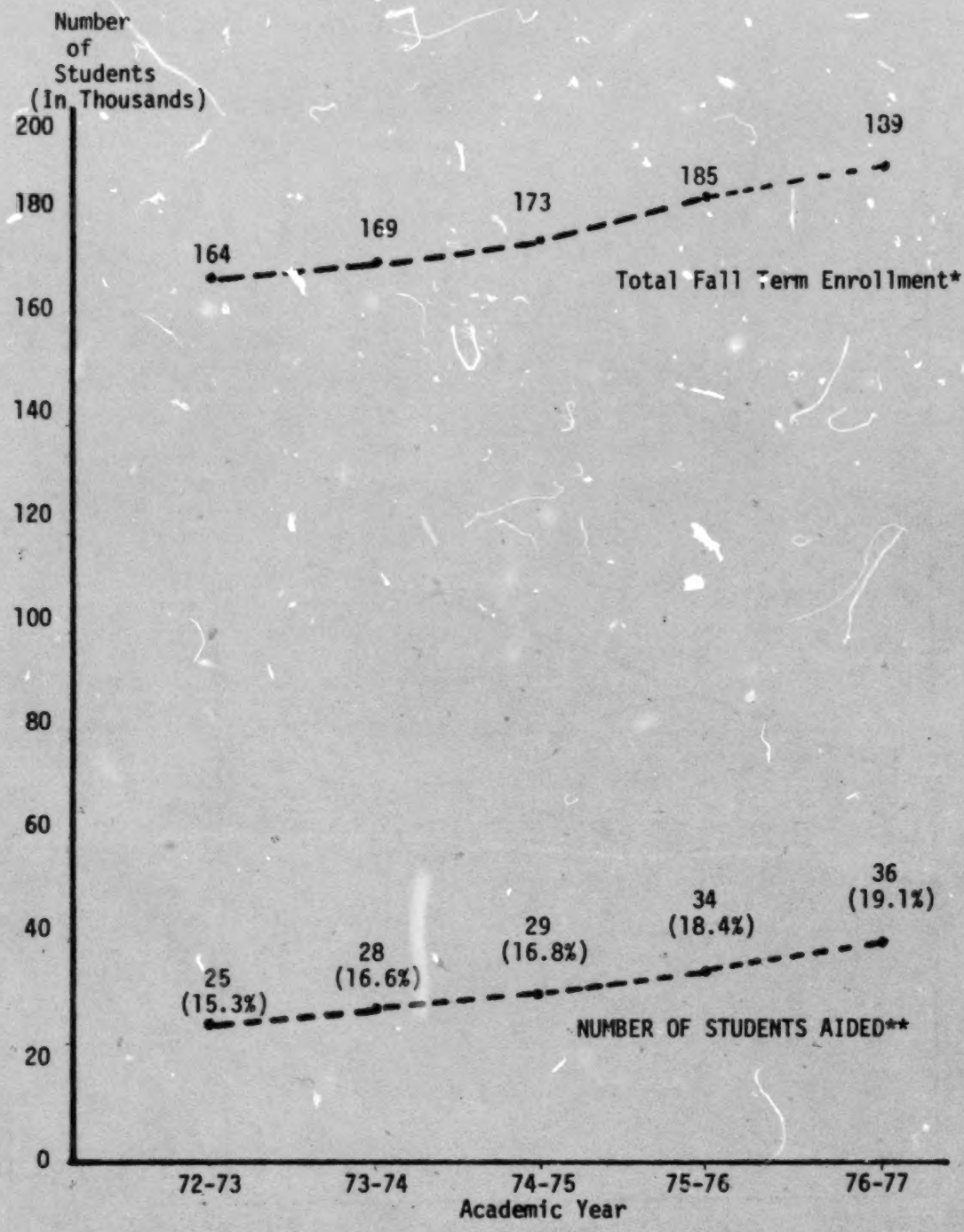


TABLE V

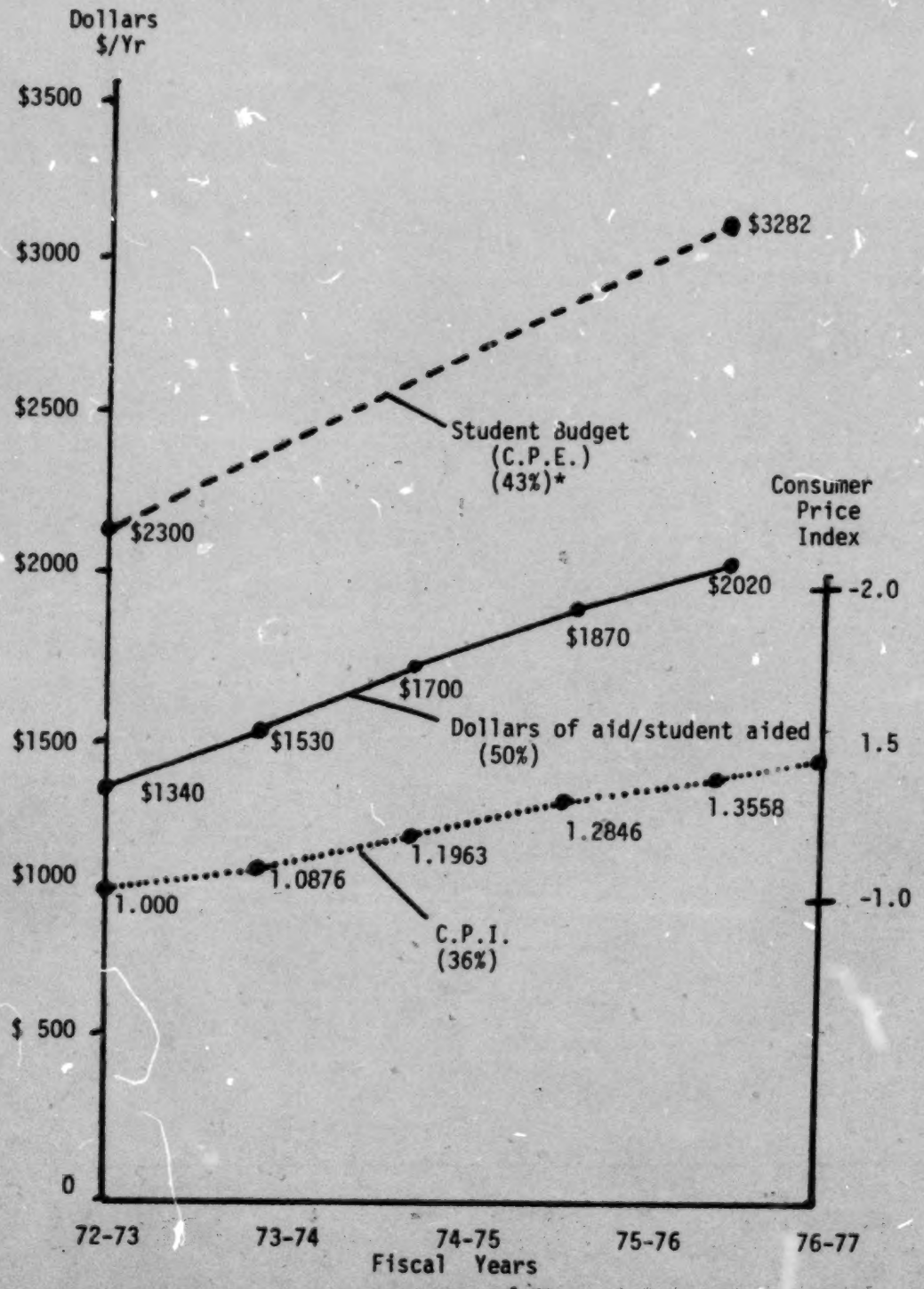
A COMPARISON OF NUMBER OF STUDENTS
AIDED TO TOTAL ENROLLMENT



* 1976-77 figures are estimated based on preliminary enrollment reports.
** Numbers in parenthesis indicate the ratio of numbers of students served to total FTE enrollment.

TABLE VI

A COMPARISON OF THE DOLLARS OF AID PER STUDENT
TO THE GROWTH IN STUDENT BUDGET AND THE CONSUMER PRICE INDEX



Note: Numbers in parenthesis indicate the percentage increase from 1972-73 to 1976-77.
*The budget is for a single student attending a state college and living away from home. The rate of increase in budgetary cost for other categories of students ranges from 42% for a state college student living with parents to 49% for a student living away from home and attending a private institution.